Statement

A. Steps taken to address the price rise in the country:

1. **Fiscal Measures**

- Reduced import duties to zero - for sugar, rice, wheat, pulses, edible oils (crude) and maize;
- Reduced import duties on refined & hydrogenated oils & vegetable oils to 7.5%;
- Allowed import of raw sugar at zero duty under O.G.L upto 1.8.2009 by sugar mills (notified on 17.4.2009). This has since been extended up to 31.3.2010.
- Allowed import of raw sugar at zero duty under O.G.L. up to 01.08.2009 by sugar mills (notified on 17.04.2009). This has since been extended up to 31.3.2010 (notified on 17.4.2009). Furthermore, import of raw sugar has been opened to private trade up to 31.3.2010 for being processed by domestic factories on job basis (notified on 31.7.2009).
- Allowed import of white/refined sugar by STC/MMTC/PEC and NAFED up to 1 million tons by 01.08.2009 under O.G.L. at zero duty (notified on 17.04.2009). This has since been extended upto 30.11.2009. Furthermore, the duty free import of white/refined sugar under OGL has been opened to other Central/State Government agencies and to private trade in addition to existing designated agencies.
- Removed levy obligation in respect of imported raw sugar and white/refined sugar.

2. **Administrative Measures**

- Permitted the export of edible oils in branded consumer packs of up to 5 kgs, subject to a limit of 10,000 tonnes up to 30th September 2010.
- Permitted export of wheat and wheat products (atta, maida and suji) on private account after 15th May 2009, with a cap of 2 million tonnes in 2009-10.
- Banned export of non-basmati rice, edible oils and pulses (except kabuli chana).
- Effected no changes in Tariff Rate Values of edible oils;
- Imposed stock limit orders in the case of paddy, rice, pulses, sugar, edible oils and edible oilseeds upto 31.9.2010;
- Using Minimum Export Price (MEP) to regulate exports of onion (averaging at $445 per tonne for October 2009) and basmati rice ($900 PMT);
- Maintaining the Central Issue Price (CIP) for rice (at Rs 5.65 per kg for BPL and Rs 3 per kg for AAY) and wheat (at Rs 4.15 per kg for BPL and Rs 2 per kg for AAY) over the last five years;

- Futures trading in Rice, Urad and Tur suspended by the Forward Market Commission in the year 2007-08 and continues during 2009-10. Futures trading in sugar was suspended *w.e.f.* 27.5.2009 upto 31st December, 2009. Ban on Futures trading in wheat, which was invoked during 2007-08 , was revoked on 14.5.2009.

- Distribution of imported edible oils to States/UTs at a subsidy of Rs.15/kg.

- To augment availability of pulses, permitted the Public Sector Undertakings (namely, STC, MMTC, and PEC) and NAFED to import and sell pulses under a scheme and the losses, if any, up to 15% are reimbursed by the Government.

- Distribution of imported pulses through PDS at a subsidy of Rs. 10 per kg to State Governments.

- Permitted sugar factories to sell processed raw sugar in the domestic market and fulfil export obligation on ton to ton basis.

- Increased quota of levy sugar to 20% with effect from 1.10.2009

- For the month of Nov, 2009, a quantity of 15.00 lakh tons of non levy sugar has been made available which includes 10.50 lakh tons of normal non-levy sugar and 1.45 lakh tons of refined raw sugar imported by sugar mills. The estimated availability out of imported white/refined sugar is about 1.50 lac ton. Besides, the validity period of Oct. 2009 non-levy quota has since been extended for the first fortnight up to 25.10.2009 and for the second fortnight upto 10.11.2009, it is expected about 1.55 lakh ton of sugar would be spill over quota of Oct. 09.

B. Steps taken to address drought-related problems prevailing in the country:

1. **Agriculture**

- States were requested to prepare alternate plan for unsown/germination failed areas with short duration/alternate crops.

- "Diesel Subsidy" scheme for the farmers was announced to enable providing supplementary protective irrigation to the standing crops. (50% of the cost of subsidy with cap for Rs. 7.50/litre, given by the States, will be borne by the Central Government). The scheme was under implementation upto 30.9.2009. Accordingly to available information, the scheme was implemented by Assam, Bihar, Jharkhand and Tamil Nadu.

- Use of Truthfully Labelled (TL) seeds, relaxation of age for seed varieties and distribution of minikits allowed under the Government Programmes (NFSM, RKVY).

- Area specific approach adopted to achieve higher production through provisioning of inputs like, fertilizers, credit, pest control measures, etc. in the area with higher rainfall.

- Agricultural advisories for appropriate crop programme were telecast/broadcast through media for the benefit of the farmers.
- Scientists from ICAR Institutions, Krishi Vigyan Kendras (KVKs) as well as experts of National Rainfed Area Authority (NRAA) helped the States in their efforts to counter the impact of deficit rainfall/drought situation, on agriculture.
- Zonal Conferences and Rabi Campaign Sponsored Programmes, like RKVY, NFSM, NHM, MMA, etc. to enable taking up agriculture reconstruction programme.

2. **Power**

- Additional allocation Power from Central Pool to Andhra Pradesh, Assam, Bihar, Haryana and Punjab.

3. **Fodder Position**

- On the basis of information gathered though Video Conferences held on 5th and 6th October, 2009, fodder availability position in the drought affected States is satisfactory.

4. **Water Resources**

- Contingency Plan for enhancing water for irrigation and restricting water for other users was issued to the States by the Ministry of Water Resources.
- Weekly Monitoring of Rainfall and Storage in major reservoirs by the Ministry of Water Resources.

5. **Drinking Water Supply**

- Activating Contingency Plan for ensuring availability of drinking water in rural & urban areas and advisory issued to all states for prudent use of available water judiciously.
- Monitoring of the Drinking Water Status in rural areas and support through Accelerated Rural Water Supply Programme (ARWSP).

6. **Monitoring**

- Empowered Group of Ministers (EGoM) formed to review the conditions and take appropriate decisions to counter the impact of drought. EGoM met twice on 25th August and 17th September, 2009 and reviewed the situation.
- IMG on Drought, headed by Secretary (A&C), is reviewing the situation periodically.
- Chief Secretaries' Conference held on 8.8.2009.
- In the Chief Ministries' Conference on Internal Security held on 17.8.2009, situation arising out of deficit rainfall was discussed. Agriculture Minister addressed the Chief Ministries in the Conference and requested them to take appropriate remedial actions to mitigate the impact of drought.